

COOPERATIVE AGREEMENT BETWEEN THE UNITED STATES DEPARTMENT OF
AGRICULTURE AND THE PANAMA MINISTRY OF AGRICULTURE AND LIVESTOCK
DEVELOPMENT FOR THE ERADICATION AND PREVENTION OF SCREWORMS

ARTICLE 1 - PURPOSES

The purposes of this Agreement are to establish a Commission in the Republic of Panama to plan, design, construct, equip, and operate a sterile screwworm fly (*Cochliomyia hominivorax*, Coquerel) production facility, and to eradicate and prevent reinfestation by screwworms in the Republic of Panama in an environmentally safe manner. The activities it authorizes shall be carried out by the United States Department of Agriculture (USDA) and the Panama Ministry of Agriculture and Livestock Development (MIDA).

ARTICLE 2 - COMMISSIONERS

A Commission, composed of four members designated by the Secretary of Agriculture of the United States of America and four members designated by the Panama Minister of Agriculture and Livestock Development, shall be established. The Commissioners shall meet at least annually, and at such other times as it considers necessary, to review Commission activities, provide guidance, and approve annual work plans and budgets.

ARTICLE 3 - ADMINISTRATION

In addition to the United States of America Commission members, the Secretary of Agriculture of the United States of America shall appoint a U.S. official to be the USDA Director. In addition to the Panama Commission members, the Minister of Agriculture and Livestock Development of the Republic of Panama shall appoint a Panamanian official to be the MIDA Director. The Directors shall be assigned full-time to the Commission and shall be directly responsible for the administration, coordination, control, and supervision of the Commission.

All Commission communications, regulations, and internal instructions pertaining to the operations under this Agreement shall be jointly agreed to by the Directors or their designated representatives. The USDA Director shall facilitate communications or requests with other U.S. authorities. The MIDA Director shall facilitate communications or requests with other Panamanian authorities.

In the event the Directors cannot agree with regard to the interpretation or application of this Agreement, the matter shall be referred to the Commissioners. If the Commissioners cannot agree, the problem shall be resolved through consultations between the Secretary of Agriculture of the United States of America and the Minister of Agriculture and Livestock Development of the Republic of Panama.

ARTICLE 4 - INTERNAL PROCEDURES AND REGULATIONS

The Directors are empowered to develop and adopt, by mutual agreement, such internal systems and regulations as they consider suitable for the proper performance of Commission functions.

ARTICLE 5 - COMMISSION PERSONNEL

The Directors shall jointly have sole authority to select, contract, supervise, and dismiss Panamanian personnel employed by the Commission. USDA shall have sole authority to select, contract, supervise, and dismiss USDA personnel and USDA awarded contract personnel. MIDA shall have sole authority to select, contract, supervise, and dismiss MIDA personnel and MIDA awarded contract personnel. Personnel employed by the Commission shall work exclusively for the Commission.

Competitive pay levels, based on work locations, shall be established by the Commission in order to attract and maintain highly qualified and motivated personnel needed for the success of the Program.

Considering the binational technical character of the Program, Commission personnel shall not be subject to the Labor Code of Panama but rather to the internal procedures and regulations of the Commission as provided under Article 4 of this Agreement. These internal procedures and regulations shall be approved by the Commissioners. All constitutional rights of the Republic of Panama shall be guaranteed for all personnel employed by the Commission.

ARTICLE 6 - SALARIES AND BENEFITS

The salaries and benefits of the USDA Director and other USDA personnel or USDA awarded contract personnel assigned to the Commission shall be paid by USDA. The salaries and benefits of the MIDA Director and other MIDA personnel or MIDA awarded contract personnel assigned to the Commission shall be paid by MIDA. All personnel employed by the Commission shall be paid from Commission funds.

ARTICLE 7 - COOPERATION WITH OTHER USDA PROGRAMS

The Commission shall provide sterile flies and technical assistance to support other USDA initiatives to control and eradicate screwworms from other countries and combat new introductions or reinfestations of previously eradicated countries or areas. Additional costs associated with this support shall be the responsibility of the USDA.

ARTICLE 8 - COOPERATION WITH OTHER ENTITIES

On the initiative of any foreign government, international organization, or association, the Commission may, subject to the approval of the Governments of the United States of America and the Republic of Panama, given through the Department of State for the



United States of America and through the Ministry of Foreign Relations for the Republic of Panama, negotiate and conclude agreements with any foreign government, international organization, or association for the production and sale of sterile screwworm pupae or flies for use in controlling or eradicating screwworms.

The proceeds from the sale of such sterile screwworm pupae or flies shall be used to cover increased costs associated with the production of the additional sterile pupae or flies. The proceeds of such sale shall be divided between the United States of America and the Republic of Panama in the same proportion specified in Article 15. The United States of America's portion of such proceeds shall be deposited into the Treasury of the United States of America and be credited to the appropriation from which the operating expense of the facility producing the screwworms had been paid.

The Commission may, subject to the approval of both Governments, given through the Department of State for the United States of America and through the Ministry of Foreign Relations for the Republic of Panama, agree to cooperate with any foreign government, international organization, or association on a reimbursable basis to the same extent that the United States of America and Panama are authorized to provide such services regarding eradication or prevention of reintroduction of screwworms.

ARTICLE 9 - TECHNICAL ACTIVITIES

This Agreement includes, besides sterile screwworm fly production, two major phases, the eradication phase and the barrier maintenance phase. The eradication phase is defined as all activities of the Program occurring until Panama is declared free of screwworms. The barrier maintenance phase is defined as all activities of the Program in Panama after the eradication phase is completed.

In order to achieve the objectives of this Agreement, the Commission may include the following activities in the annual work plans:

- a. Establish and maintain animal quarantine measures, including quarantine control and treatment stations, as necessary for the Program in Panama;
- b. Take and maintain a farm and livestock census, as necessary for the Program in Panama;
- c. Conduct screwworm surveillance to determine the status of the pest and level of control achieved in Panama;
- d. Establish and maintain a laboratory for screwworm identification in Panama;
- e. Treat wounds on animals with approved insecticides in Panama;
- f. Aerially disperse sterile screwworm flies in Panama;

- g. Train personnel assigned to the Commission in all aspects of screwworm prevention, detection, identification, control, and eradication;
- h. Conduct an information and education program for the livestock industry and the general public in Panama to gain their cooperation and to ensure the recognition and rapid reporting of any suspected case of screwworm;
- i. Develop a contingency plan, maintain supplies and equipment needed to respond to outbreaks, and carry out periodic exercises in order to give an immediate response in case of a screwworm outbreak;
- j. Test new fly strains and new methods or techniques associated with screwworm activities; and
- k. Plan, design, construct, equip, operate and maintain a sterile screwworm fly production facility in Panama.

ARTICLE 10 - PREROGATIVES

Personnel of the USDA participating in the Commission who are not nationals of Panama shall enjoy the same privileges and immunities provided to the United States of America diplomatic personnel assigned to the Embassy of the United States of America.

ARTICLE 11 - RESPONSIBILITY OF MIDA

In order to achieve the objectives of this Agreement, MIDA shall:

- a. Provide land for a sterile fly production facility;
- b. Provide land, as needed and available to carry out this Agreement, including space at airports for fly dispersal activities and field offices;
- c. Authorize the purchase and distribution of insecticides used in the eradication and barrier maintenance phases of the Program;
- d. Impose no administrative or processing fees for services provided to the Commission;
- e. Provide legal counsel and legal services for all activities in Panama under or pursuant to this Agreement;
- f. Respond in court to legal actions brought as a result of all activities in Panama under or pursuant to this Agreement and assume any resulting liability;
- g. Maintain the legislation, legal requirements, and enforcement capability necessary to carry out the objectives of this Agreement in Panama, including the authority to establish and maintain quarantines for Program purposes, authority to enter premises for Program purposes, and mandatory reporting of suspected screwworm cases;

- h. Facilitate communications or requests to other Panamanian authorities;
- i. Obtain the support of police and other state security agencies in Panama, as needed, for enforcement activities and for prosecuting violations;
- j. Obtain exemption from licenses, permits, taxes, and other charges for all land, facilities, and utilities used by the Commission in Panama;
- k. Obtain duty-free entry to, and exit from, Panama for Commission vehicles, equipment, supplies, and products used for the Program, including blanket permits for sterile pupae or flies and other inventory items deemed necessary for the Program by the Commission;
- l. Obtain exemption from all Panamanian taxation, including value added, sales or excise taxes for all materials purchased or used by the Commission, whether obtained locally or imported;
- m. Obtain exemption in Panama for all USDA aircraft, USDA contract aircraft, Commission aircraft, Commission contract aircraft, and aircraft equipment from licenses, fees, and other charges; and obtain all necessary permits and clearances for air operations in furtherance of the Program, including landing and takeoff authorization;
- n. Obtain all necessary permits, licenses, and frequencies for voice and data telecommunications and radio and television transmissions in Panama, without charges or taxes;
- o. Obtain all necessary permits, licenses, and other documents necessary for USDA and Commission vehicles to be operated in Panama, without charges or taxes; and
- p. Ensure that MIDA field personnel cooperate with the Commission, during the eradication and barrier maintenance phases, by reporting infestations and submitting samples of dipterous larvae collected from wounds on animals and humans so that the Commission can take immediate action.

ARTICLE 12 - RESPONSIBILITY OF USDA

In order to achieve the objectives of this Agreement, USDA shall:

- a. Provide, as part of its contribution as stated in Article 15, sterile screwworm pupae or flies as required for the Program until a production facility is operational in Panama;
- b. Provide, as part of its contribution as stated in Article 15, for the transportation of sterile pupae or flies as required for the Program from the production facility to Panama until a production facility is operational in Panama;

- c. Provide, as part of its contribution as stated in Article 15, specialized aircraft and crews as required for the Program for the aerial dispersion of sterile flies in Panama until a permanent sterile fly barrier is established in Panama and the Commission takes over this responsibility; and
- d. Facilitate communications or requests to other United States of America authorities.

ARTICLE 13 - USDA ASSISTANCE

USDA may assist MIDA in achieving the objectives of Article 11, h. through p.

ARTICLE 14 - INVENTORIES

The Directors shall establish and maintain an inventory control system sufficient to carry out the purposes of this Agreement, including identification of ownership of items used in the Program.

ARTICLE 15 - FINANCING AND FUNDS MANAGEMENT

The USDA and MIDA shall consider this Program to have a high priority and shall take steps to secure the necessary funds to carry out the Commission's activities.

The Commissioners shall approve the annual work plans, personnel staffing levels, and budget for capital and operating costs before a disbursement of funds is provided by either party to the Commission.

Subject to the availability of funds, USDA shall contribute 85 percent and MIDA shall contribute 15 percent of the costs necessary to carry out the screwworm eradication activities of the Commission annually in Panama until eradication of screwworms is achieved in Panama. If in any year either party elects to make additional contributions, upon agreement of the Commissioners, those excess contributions may be credited as contributions in a different year.

After screwworm eradication is achieved in Panama, the Commission shall continue to maintain the sterile fly barrier and activities associated with preventing reinfestations in Panama. Subject to availability of funds, USDA shall contribute 90 percent and MIDA shall contribute 10 percent annually of the costs of maintaining these activities. Either party may contribute additional funds, supplies, or equipment not subject to the 90:10 ratio in furtherance of the objectives of this Agreement.

All costs associated with designing, constructing, and equipping a sterile screwworm fly production facility shall be paid according to a supplemental agreement that shall be subject to the approval of both Governments, given through the Department of State for the United States of America and through the Ministry of Foreign Relations for the Republic of Panama.

The USDA Director shall be responsible for requesting, proper management, and reporting of U.S. funds to the USDA, and the MIDA Director shall be responsible for requesting, proper management, and reporting of Panamanian funds to MIDA.

A Commission bank account shall be established for the payment of Commission expenses. Both parties shall make deposits to this account based on the annual work plan and budget for Commission activities. Expenditures from this account shall require the signatures of both Directors or their designated representatives.

The acquisition of goods and services by the Commission may be accomplished by following the purchasing procedures of USDA, MIDA, or Commission procedures approved by the Directors.

Proceeds from the sale of any Commission vehicles, equipment, supplies, and any other Commission personal property during the Agreement period shall be returned to the Commission bank account for Commission use.

ARTICLE 16 - EXTERNAL FUNDING

The Commission may accept funds from any other source with the prior approval of the Commissioners.

ARTICLE 17 - EQUIPMENT CONTROL

All Commission vehicles, equipment, supplies, and any other Commission real or personal property acquired pursuant to this Agreement or assigned to the Commission by either party shall be under the direct control of the Directors and only for the official use of the Commission.

ARTICLE 18 - AUDITING

Either party or its designee may audit or review the records and procedures of the Commission whenever it deems it necessary to do so. All costs directly related to such audits or reviews incurred by the requesting party shall be paid by that party.

ARTICLE 19 - AMENDMENT

This Agreement may be amended at any time by mutual written agreement of the parties subject to the approval of both Governments, given through the Department of State for the United States of America and through the Ministry of Foreign Relations for the Republic of Panama.

ARTICLE 20 - TERMINATION

This Agreement shall remain in force until 5 years after either USDA or MIDA shall have given a written notice to the other of its intent to terminate the Agreement.